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January 25, 2016

TO: Audit Committee
Commission Services Division
Chief Executive Office

FROM: Joseph Kelly 
Treasurer and Tax Collector

SUBJECT: **REVIEW OF BOARD POLICY NO. 3.015 – CREDIT/DEBIT CARD
ACCEPTANCE POLICY**

In response to your request dated December 21, 2015, we have completed our review of the attached Board Policy No. 3.015 – Credit/Debit Card Acceptance Policy.

After review and consultation by staff at the Chief Information Office, Auditor-Controller, and Treasurer and Tax Collector, all three departments recommend that this policy remain in effect, as written, with an extended sunset review date of four years to April 11, 2021.

Should you have any questions or require further assistance, please contact me directly or your staff may contact Mr. Michael Grazer, Operations Chief, at (213) 974-7350 or mgrazer@ttc.lacounty.gov.

JK:KK:MG:lc

Z:\CSH\Corr\Misc\2016\Sunset Review – Credit/Debit Policy

Attachment



Los Angeles County

BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
3.015	Credit/Debit Card Payment Acceptance Policy	04/11/06

PURPOSE

Provides for a County Credit/Debit Card Payment Acceptance Policy through the amendment and supplementation of related Board Orders with respect to transaction and other application costs associated with the acceptance of credit/debit card payments by County departments and districts.

REFERENCE

November 26, 1991 Board Order, [Synopsis 55](#), authorizes Long Beach and Los Angeles Municipal Courts to enter a pilot program to accept credit cards for the payment of traffic fines, fees and bail forfeitures

July 13, 1993 Board Order, [Synopsis 10](#), recommendations for Implementation of a Discover Card Credit Card Acceptance Program

September 21, 1993 Board Order, [Synopsis 55](#), recommendations for Implementation of a Discover Card Credit Card Acceptance Program

February 3, 1998 Board Order, [Synopsis 19](#), request for Cost Neutral Credit/Debit Card Acceptance Policy

April 4, 2006 [Board Order 16](#), Expand Credit/Debit Card Payment Acceptance Policy

POLICY

This policy amends and supplements the existing Board Orders referenced above regarding the requirements with respect to transaction and other application costs associated with the acceptance of credit/debit card payments by County departments and districts. For a complete statement of the policy regarding acceptance of credit/debit card payments by County departments and districts, this policy must be read together with the existing Board Orders.

This policy applies to all credit/debit card payment programs for legally permissible Countywide and district applications, except as expressly noted below. This policy allows County departments and districts (1) with the approval of the Auditor-Controller (A-C), to include credit/debit card transaction costs and other application costs in fees charged to all customers or (2) with the approval of the Chief Executive Office (CEO), to absorb the credit/debit card transaction costs and other application costs in their respective budgets when there is a reasonable business case to do so.

The A-C, Treasurer and Tax Collector (TTC), and the CEO will evaluate any credit/debit card payment programs proposed by County departments and districts that do not meet the preceding two conditions, but merit consideration based on special conditions, to determine the increase in net County cost. The CEO will provide the County departments and districts with the findings of the evaluation and the County departments and districts will need to obtain Board approval of their projects in order to proceed.

This policy does not apply to credit/debit card transaction costs and other application costs that would result in a significant cost to County departments or districts, or result in a reduction of the amounts that are passed along to other agencies. For example, property taxes including special assessments, bonded indebtedness, etc., would be excluded from this policy unless the convenience/service fee and/or other cost savings offsets all or most of the transaction cost and other application costs. As a result, taxpayers will continue to be charged a convenience/service fee for the payment of property taxes with a credit/debit card.

In some cases, County departments or districts may be collecting fees for providing services where the fees have been established by a non-County agency. If the cost of providing the services combined with the credit/debit card transaction costs and other application costs are not greater than the amount of the fees charged, the County departments or districts will be allowed to accept credit/debit cards for these fees, in accordance with this policy.

This policy requires that County departments and districts work with TTC to implement applications to accept credit/debit cards. In addition, this policy requires that County departments and districts work with TTC to ensure that they comply with the credit/debit card acceptance rules and regulations of the credit card companies and/or associations.

RESPONSIBLE DEPARTMENT

Chief Executive Office

Auditor-Controller

Treasurer and Tax Collector

DATE ISSUED/SUNSET DATE

Issue Date: April 11, 2006

Review Date: January 20, 2011

Review Date: January 20, 2016

Sunset Date: April 11, 2011

Sunset Date: April 11, 2016

Sunset Date: April 11, 2021